

August 25, 2006

Mr. Les Boles, Director  
B&C Bd-Office of State Budget  
1201 Main Street, Suite 870  
Columbia, South Carolina 29201

Dear Les:

This is to advise that the State Board of Financial Institutions will not be requesting any additional state funds. Also, we have no proviso changes and we are requesting no additional FTEs for the FY 2007-2008. We have attached the addendum for FY 2007-2008 Cost Savings and Activity Priority Assessment. Please let me know if you have any questions or need additional information.

Sincerely,

Grady L. Patterson, Jr.  
State Treasurer

GLPJr: klw

## **FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM**

### **I. 2% COST SAVINGS ASSESSMENT**

- A. Agency Section/Code/Name: Section 48/R23/Board of Financial Institutions
- B. Agency Activity Number and Name: 1347 - Bank Examining and 1348 - Consumer Finance
- C. Explanation of Cost Savings Initiative:

The Board of Financial Institutions has only two programs, both required by statute to perform certain examining and licensing functions. Both programs are totally funded by Other Funds. There is no duplication of other State efforts and there is no area that could be eliminated. If a 2% reduction were required, it would require the RIF of an employee, which would reduce associated travel costs.

- D. Estimate of Savings:

<b>FY 2007-08 Cost Savings Estimates:</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>				
(a) Number of FTEs			1	1.00
(b) Personal Service			\$38,505.51	\$38,505.51
(c) Employer Contributions			\$10,396.49	\$10,396.49
Program/Case Services				\$ 0
Pass-Through Funds				\$ 0

Other Operating Expenses			\$15,000	\$15,000
<b>Total</b>	\$ 0	\$ 0	\$63,902.00	\$63,902.00

E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

The reduction would increase the time between examinations or reduce the time spent on examinations and would therefore reduce the effectiveness of the examinations.

F.

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title: Reduction in Force	0	0	\$38,980.22	\$38,980.22	0	0	.61	0.61
Activity Number & Name: 1347 – Bank Examining								
Initiative Title: Reduction in Force	0	0	\$24,921.78	\$24,921.78	0	0	.39	0.39
Activity Number & Name: 1348 – Consumer Finance								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
TOTAL OF ALL INITIATIVES	\$ 0	\$ 0	\$63,902.00	\$63,902.00	0.00	0.00	1.00	1.00

## FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

### II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: Section 48/R23/Board of Financial Institutions
- B. Agency Activity Number and Name: 1347 - Bank Examining and 1348 - Consumer Finance
- C. Explanation of Lowest Priority Status:

The Board of Financial Institutions has only two activities. Both activities fulfill core objectives of the agency and are required by State statute. The activities are of equally high priority and neither activity could be eliminated.

- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
<b>Personnel:</b>						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

E. Activity Impact (Describe the impact on the activity affected including the impact on customers and clients.):

F.

[illegible]